

Rosen, Kantrow & Dillon, PLLC
Attorneys for Richard L. Stern, Trustee
38 New Street
Huntington, New York 11743
631 423 8527
Fred S. Kantrow

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK

RETURN DATE: **10/17/16**
TIME: **9:30 a.m.**

-----X
In re:

HARLOW EAST LLC,

Case No.: 16-72175-reg
Chapter 7

Debtor.
-----X

**AFFIRMATION IN SUPPORT OF ENTRY OF AN ORDER CONFIRMING
SALE, FREE AND CLEAR OF ALL LIENS, CLAIMS, ENCUMBRANCES AND
SECURITY INTERESTS, OF THE ESTATE'S INTEREST IN THE LEASE FOR THE
NON-RESIDENTIAL REAL PROPERTY COMMONLY KNOWN AS
1 LONG WHARF, SAG HARBOR, NEW YORK TO SHR HOLDINGS, LLC**

Fred S. Kantrow, being duly sworn, deposes and states as follows:

1. I am a partner with Rosen, Kantrow and Dillon, PLLC, counsel to Richard L. Stern, the Chapter 7 Trustee ("Trustee") for the estate of Harlow East LLC, debtor ("Debtor"). As such, I am fully familiar with the facts and circumstances described herein.

2. On October 7, 2016, Trustee conducted a public auction sale ("Auction Sale") of the lease for the non-residential real property commonly known as 1 Long Wharf, Sag Harbor, New York.

3. The Auction Sale was scheduled in accordance with this Court's Order dated September 22, 2016 ("Auction Sale Order"). Prior to the Auction Sale, the Auction Sale Order was properly and timely served upon those parties entitled to notice. In addition, prior to the Auction Sale, notice of the Auction Sale was published in *Newsday*. Accordingly, notice of the Auction Sale was provided pursuant to sections 102, 363(b) and (f) of Title 11 of the United States

Code (the “Bankruptcy Code”) and Rules 2002, 4001 and 6004 of the Federal Rules of Bankruptcy Procedure (“Bankruptcy Rules”).

4. In accordance with the Auction Sale Order, the Trustee solicited bids for the purchase of the Lease.

5. SHR Holdings LLC (“Buyer”), having bid the sum of NINE HUNDRED AND SIXTY THOUSAND DOLLARS (\$960,000.00) (“Purchase Price”), was the successful bidder for the Lease. The offer from the Buyer was the highest and best offer received by the Trustee at the Auction Sale.

6. Buyer, at the Auction Sale, provided Trustee with a down payment in the amount of FIFTY THOUSAND DOLLARS (\$50,000.00). Subsequently, consistent with the Auction Sale Order, Buyer remitted an amount sufficient such that the Trustee is currently holding 25% of the Purchase Price. In addition, at the Auction Sale, Buyer executed the terms and conditions of the sale.

7. The sale to Buyer is an arm’s length transaction, and the sale of the Debtor’s interest in the Lease to the Buyer is being entered into in good faith by the parties hereto. As such, Trustee submits that Buyer will be acting in good faith pursuant to Section 363(m) of the Bankruptcy Code in closing on the purchase of the Lease.

8. Moreover, the sale of the Debtor’s interest in the Lease to the Buyer is a reasonable exercise of the Trustee’s business judgment. Trustee and his professionals actively marketed and advertised the Auction Sale of the Lease consistent with the terms of the Auction Sale Order. The Buyer’s offer for the purchase of the Lease represents the highest and best offer received by Trustee, and Trustee believes that Buyer’s offer is fair and reasonable. As such, a valid business

purpose exists for the approval of the sale of Debtor's interest in the Lease to the Buyer pursuant to Sections 363(b), (f), (h) and (m) of the Bankruptcy Code.

9. Accordingly, Trustee respectfully requests that this Court approve the annexed proposed Order confirming the sale of the Lease.

Dated: Huntington, New York
October 17, 2016

Rosen, Kantrow & Dillon, PLLC
Attorneys for Richard L. Stern, Trustee

BY: S/Fred S. Kantrow
Fred S. Kantrow
38 New Street
Huntington, New York 11743
631 423 8527
fskantrow@gmail.com